

Alex Padilla
Secretary of State
1500 11th Street
Sacramento, CA 95814

Dear Secretary Padilla:

In accordance with California Elections Code section 9034, I, Helen Hutchinson, proponent of the initiative known as "The California Schools and Local Communities Funding Act of 2018," which has received the official title: (SOS # 1851) (AG # 17-0055, Amdt.#1)) "Requires Certain Commercial and Industrial Real Property to be Taxed Based on Fair-Market Value. Dedicates Portion of Any Increased Revenue to Education and Local Services. Initiative Constitutional Amendment.," do hereby certify that at least 25 percent of the 585,407 signatures to qualify the initiative measure for the ballot has been obtained. The official summary of this initiative is as follows:

Taxes certain commercial and industrial real property based on fair-market value—rather than, under current law, the purchase price with limited inflation. Exempts agricultural property and certain small businesses. Dedicates portion of any increased revenue to local services and to supplement, not replace, state's minimum-funding guarantee to schools. Provides tax exemption for \$500,000 worth of tangible personal property used for business and all personal property used for certain small businesses. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local government: **Net increase in annual property tax revenues of \$6.5 billion to \$10.5 billion in most years, depending on the strength of real estate markets. After paying for county administrative costs and backfilling state income tax losses related to the measure, the remaining \$6 billion to \$10 billion would be allocated to schools (40 percent) and other local governments (60 percent). (17-0055.)**

I certify under penalty of perjury under the laws of the State of California that the foregoing paragraph is true and correct.

Oakland CA

Place of Execution